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UNITED STATES DEPARTMENT OF AGRICULTURE  
SURPLUS MARKETING ADMINISTRATION

## COTTON STAMP PLAN REGULATIONS

Under the authority given to the Secretary of Agriculture by law, I, Paul H. Appleby, Acting Secretary of Agriculture, make, publish, and give public notice of the following regulations, to be in effect until changed or replaced by the Secretary of Agriculture.

### Article I.—DEFINITIONS

SECTION 100. When used in these regulations or in any form or document in connection with the Cotton Stamp Plan, the following words or terms shall have the meaning shown below:

(a) "Secretary" means the Secretary of Agriculture of the United States of America.

(b) "Administration" means the Surplus Marketing Administration, United States Department of Agriculture.

(c) "Administrator" means the Administrator, the Assistant Administrator, or the Chief of the Distribution Division, of the Surplus Marketing Administration.

(d) "Retail dry goods store" means a merchandising establishment from which a retailer carries on (1) the business of selling cotton and cotton goods to consumers; (2) a merchandising establishment engaged in the retail distribution of cotton and cotton goods through the mail, whenever in the judgment of the Administration the inclusion of the latter type of establishment would effectuate the purposes of the Cotton Stamp Plan. "Retail dry goods store" does not include peddlers or other itinerant merchants.

(e) "Cotton and cotton goods" means any commodity or product which is made entirely in the United States and entirely from new cotton produced in the United States, and which is sold in retail dry goods stores. Bindings, buttons and other fasteners, findings, and trimmings shall not be considered in determining whether such commodity or product is made entirely of cotton.

(f) "Green stamps" means green colored cotton order stamps in denominations of twenty-five cents (25¢) each.

(g) "Brown stamps" means brown colored surplus cotton order stamps in denominations of twenty-five cents (25¢) each.

(h) "White stamps" means white colored cotton order stamps in denominations of twenty-five cents (25¢) each.

(i) "Cotton stamps" means either green stamps, brown stamps, or white stamps, or all of them.

(j) "Federal Surplus Commodities Corporation," "F. S. C. C.," or "Corporation" shall be construed to mean the Administration.

### Article II.—USE OF COTTON STAMPS

SECTION 200. *Eligibility to Accept Cotton Stamps.*—Cotton stamps may be accepted in exchange for cotton and cotton goods in any retail dry goods store which has filed an acceptable Retailer's Statement Form in the manner prescribed by the Administration.

SEC. 201. *Identification of Cotton Stamp User.*—Cotton stamps must be used by the person to whom issued or his agent. It shall be the duty of the retail dry goods store to make every reasonable effort to determine that the person presenting cotton stamps in exchange for cotton and cotton goods is the person to whom such cotton stamps were issued, or is his properly designated agent.

SEC. 202. *Limitation on Use of Stamps.*—Cotton stamps may be accepted only in exchange for cotton and cotton goods. Cotton stamps shall not be accepted by any retail dry goods store unless torn from the cotton stamp book in the presence of the retailer or his employee at the time cotton and cotton goods are delivered thereon: *Provided, however,* That authorized merchandising establishments may accept detached cotton stamps accompanying an order received through the mail when the cotton and cotton goods ordered are to be delivered by mail; and *Provided further,* That any eligible retail dry goods store may accept loose cotton stamps if there appears on each such stamp an identification number, which number shall be the same as the number that appears on the person's stamp plan identification card.

No retail dry goods store owner or employee may loan to any person money to be used to buy cotton stamps. Cotton stamps shall not be sold, transferred, assigned, or negotiated, or used for any purpose or to effect any arrangement, agreement, scheme, or device contrary to these regulations.

SEC. 203. *Change.*—No change in cash may be given for cotton stamps. Instead of giving change in cash, a credit slip may be given to the stamp customer in lieu of the amount represented by the unused part of a cotton stamp. Such a credit slip must show the amount due, the name of the retail dry goods store, and the color of the cotton stamp on which credit is due. Credit slips may be used only by the person to whom issued and may be exchanged only for cotton and cotton goods.

SEC. 204. *Taxation.*—Exchange of brown stamps for cotton and cotton goods is not subject to any tax on retail sales, and no payment will be made by the Surplus Marketing Administration on claims supported by brown stamps where the retail dry goods store, because of a retail sales tax, has delivered cotton and cotton goods of an actual value of less than twenty-five cents (25¢) for each brown stamp or has otherwise passed the tax on to the stamp customer.

SEC. 205. *Posting Regulations.*—All retail dry goods merchants participating in the Cotton Stamp Plan must have posted in their store at all times a copy of these regulations.

### Article III.—PAYMENT FOR COTTON STAMPS

SECTION 300. *Payment of Claims.*—Any retail dry goods store owner may present a claim for the face value of all cotton stamps accepted in accordance with these regulations. Payment will be made by the Administration on any such claim which is properly certified and presented for payment, provided the Administration is satisfied that a proper claim has been made.

SEC. 301. *Collection Agents.*—Wholesalers or banks may act as collection agents for retail dry goods stores in presenting claims for cotton stamps to the Surplus Marketing Administration.

### Article IV.—COMPLIANCE

SECTION 400. *Action Against Violators.*—Whenever the Administrator determines that any person has violated these regulations, the Administrator may deny such person the privilege of participating in the Cotton Stamp Plan. The Administrator, or such officer or employee of the Surplus Marketing Administration as the Administrator may designate for the purpose, may suspend payment on any claim or claims of an alleged violator or may deny an alleged violator the privilege of participation in the Cotton Stamp Plan pending a final determination by the Administrator. In any final determination, the Administrator may deny payment on any claim or claims supported by cotton stamps found to have been obtained in violation of these regulations. In the event the Administrator determines that any person has accepted cotton stamps in violation of the regulations and has made and presented for payment, or has caused to be made and presented for payment, claims supported by such stamps and that payment has erroneously been made thereon, the Administrator may deduct from any claim or claims supported by cotton stamps obtained in full compliance with these regulations, and presented for payment by such person, an amount deemed to be sufficient to offset the amount erroneously paid. The Administrator may take such action as may to him seem reasonably designed to make effective any order of denial or order of suspension.

SEC. 401. *Rules of Procedure and Practice.*—The Administrator may adopt such rules of procedure and practice as he may deem necessary for the purpose of determining violations of these regulations.

SEC. 402. *Criminal Penalties.*—Any person who makes or causes to be made any claim for payment, or presents or causes to be presented any claim for payment, supported by cotton stamps, knowing such claim to be false, fictitious, or fraudulent, or in violation of these regulations, shall be subject to such fines and punishments as may be provided in the United States Criminal Code.

### Article V.—CONSTRUCTION

SECTION 500. *Administrative Interpretations.*—The Administrator may issue interpretations of any of these regulations, and such interpretations shall have the force and effect of these regulations.

SEC. 501. *Derogation of Rights.*—Nothing contained in these regulations, or in any administrative interpretations thereof, shall be construed to be in derogation or modification of the right of the Secretary, the Surplus Marketing Administration, or the United States to exercise any jurisdiction or power granted by law.

These revised regulations governing the Cotton Stamp Plan shall supersede all regulations and conditions previously issued by me and shall become effective on May 3, 1941.



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